

# GRAIN MARKET OUTLOOK

**KSU AG MARKETING CLASS**  
**APRIL 21, 2011**

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## CORN & SOYBEAN PRICE PROSPECTS FOR 2011 & 2012

- A. Record tight MY 2010/11 U.S. corn & soybean Stocks & %Stocks-to-Use
- B. U.S. Corn vs Soybean Acreage Competition in early 2011 (*watching DEC Corn vs NOV Soybeans*)
- C. High sensitivity to 2011 crop production weather problems in the U.S., South America & China
- D.  $\uparrow\downarrow$ Oil Prices  $\Rightarrow$  Ethanol Production & Corn \$s

**Key Question:** What will Corn & Soybean prices be this Fall if  $\uparrow$  Acres / Production in 2011?

## WHEAT \$ PROSPECTS IN 2011

- A. More U.S. winter wheat acres for 2011, but uncertain HRW wheat production prospects
- B. Strong U.S. exports of food quality wheat (*Reduced concerns re: tight world food grade supplies*)
- C. Cross-commodity effects on wheat from corn & soybeans (*as well as from energy – oil \$s*)
- D. Foreign Production Issues
  - Quantity – Quality recovery in Black Sea & Canada?
  - *Historic drought in China  $\Rightarrow$  Need for imports??*
- E. **Key Question**– What amount of U.S. & World wheat production will there be in 2011?



## ECONOMIC FACTORS AFFECTING U.S. GRAIN MARKETS



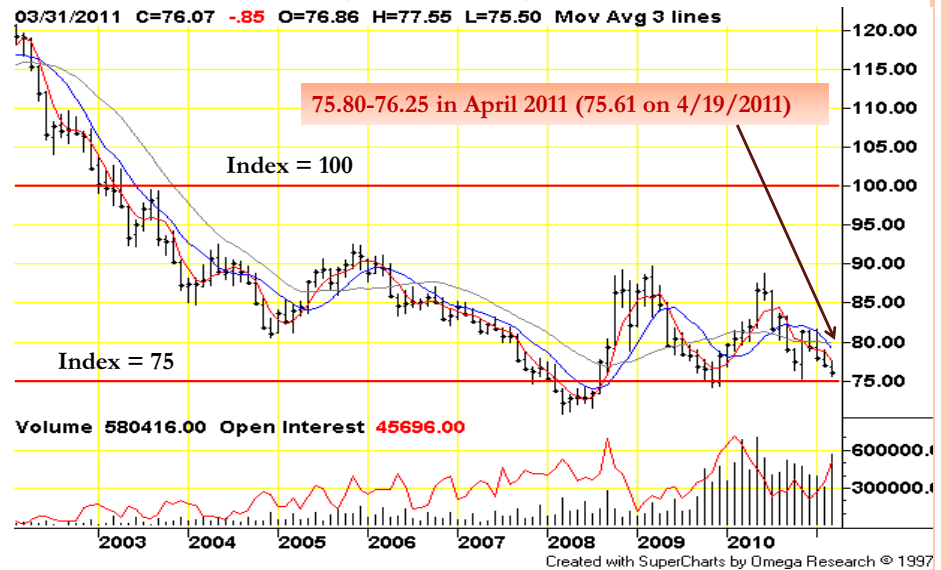
# U.S. DOLLAR INDEX

WEEKLY PRICE CHART (\$USD): APRIL 2008 – APRIL 19, 2011



# U.S. DOLLAR INDEX

MONTHLY PRICE CHART (DX – NYBOT): FEBRUARY 2002 – MARCH 2011



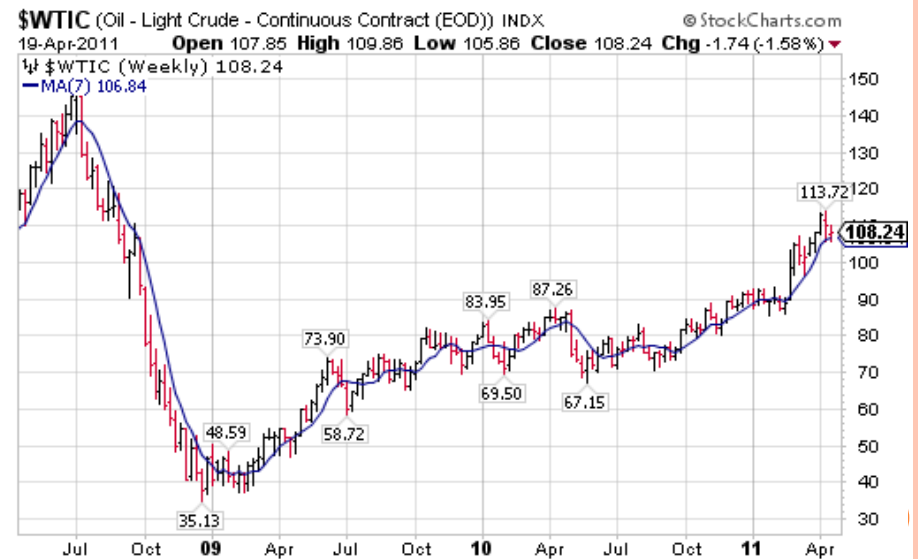
# CONTINUOUS CRB INDEX

MONTHLY INDEX CHART (CI–NYBOT): FEBRUARY 2002 – MARCH 2011



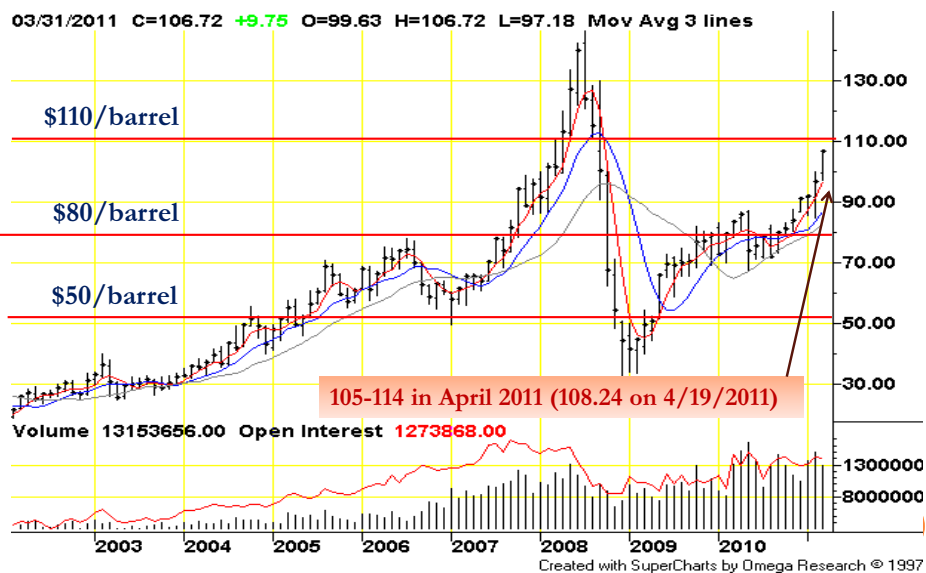
# LIGHT CRUDE OIL PRICES

WEEKLY PRICE CHART (\$WTIC): APRIL 2008 – APRIL 19, 2011



# LIGHT CRUDE OIL FUTURES

MONTHLY PRICE CHART (CL – NYMEX): FEBRUARY 2002 – MARCH 2011



# BALTIC DRY INDEX

WEEKLY PRICE CHART (\$BDI): APRIL 2008 – APRIL 19, 2011



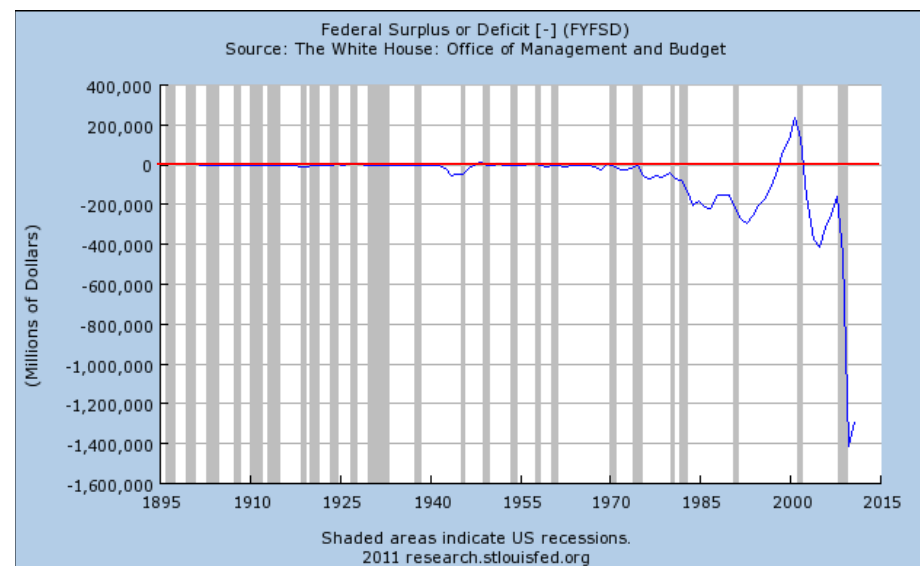
# DOW JONES INDUSTRIAL AVERAGE

WEEKLY PRICE CHART (\$INDU): APRIL 2008 – APRIL 20, 2011



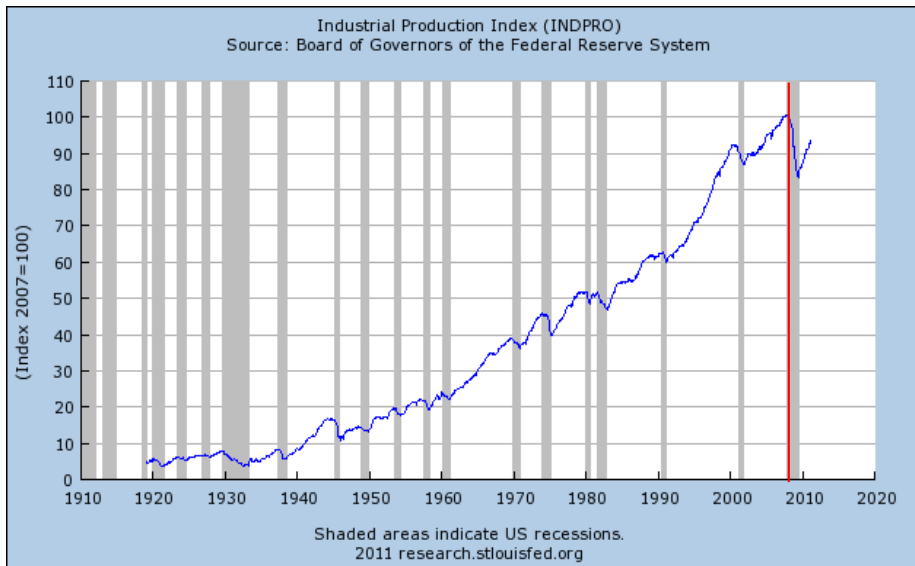
# FEDERAL SURPLUS OR DEFICIT

ANNUAL DATA, ST. LOUIS FEDERAL RESERVE BANK: 1901 - 2010



# INDUSTRIAL PRODUCTION INDEX

ANNUAL DATA, ST. LOUIS FEDERAL RESERVE BANK: 1918 - 2010

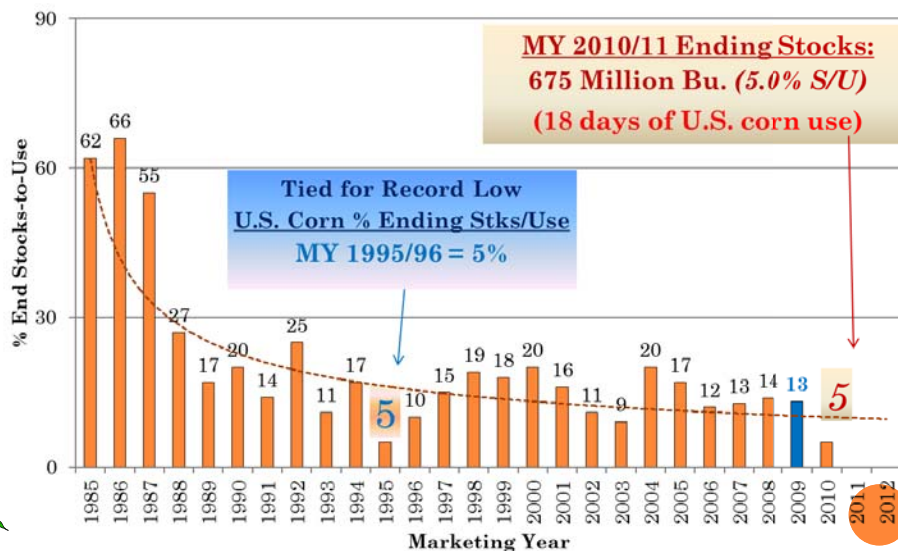


## FEEDGRAIN MARKETS: CORN & GRAIN SORGHUM



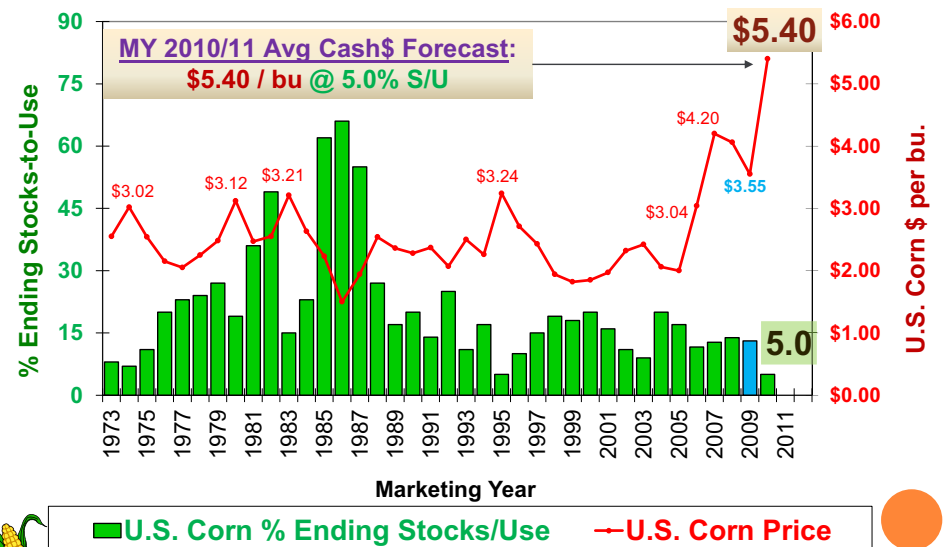
## U.S. CORN % END STOCKS-USE

MY 1985/86 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



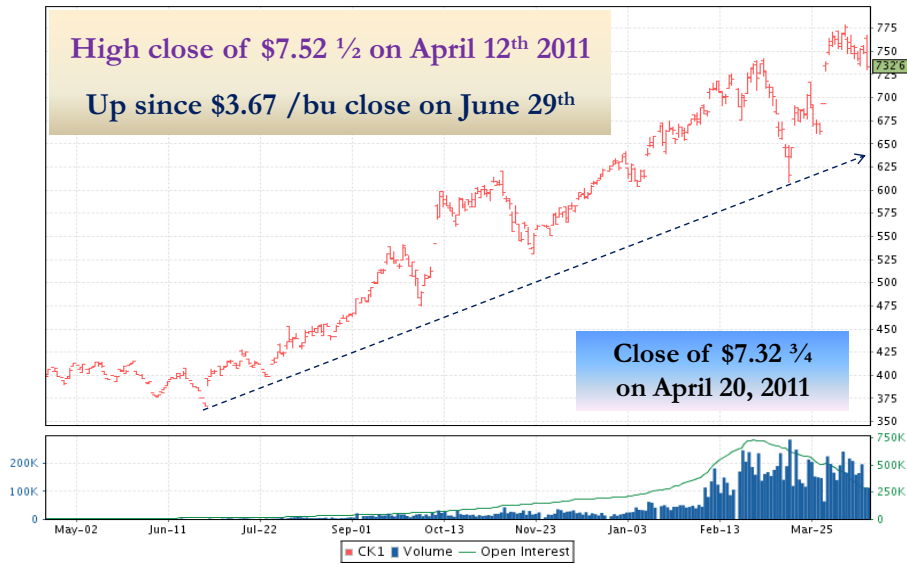
## U.S. CORN % STOCKS/USE vs PRICE\$

MY 1973/74 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# CBOT MAY 2011 CORN FUTURES

APRIL 19, 2010 THROUGH APRIL 20, 2011



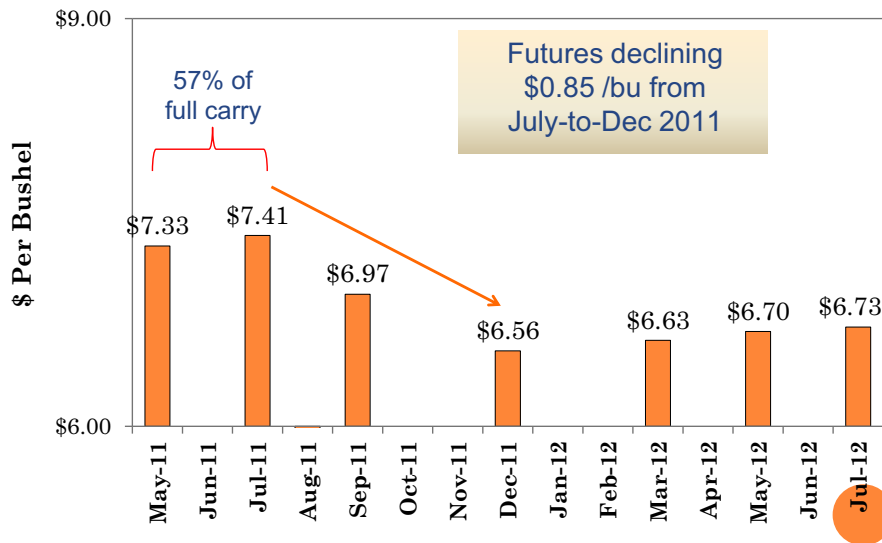
# CBOT DEC 2011 CORN FUTURES

APRIL 19, 2010 THROUGH APRIL 20, 2011



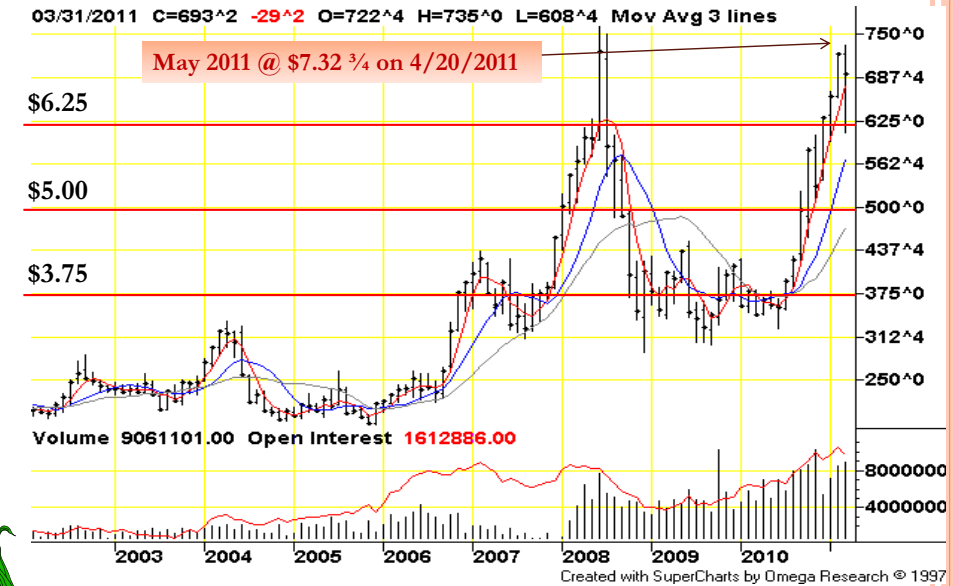
# CBOT CORN FUTURES

MONTHLY CARRYING CHARGES: APRIL 20, 2011



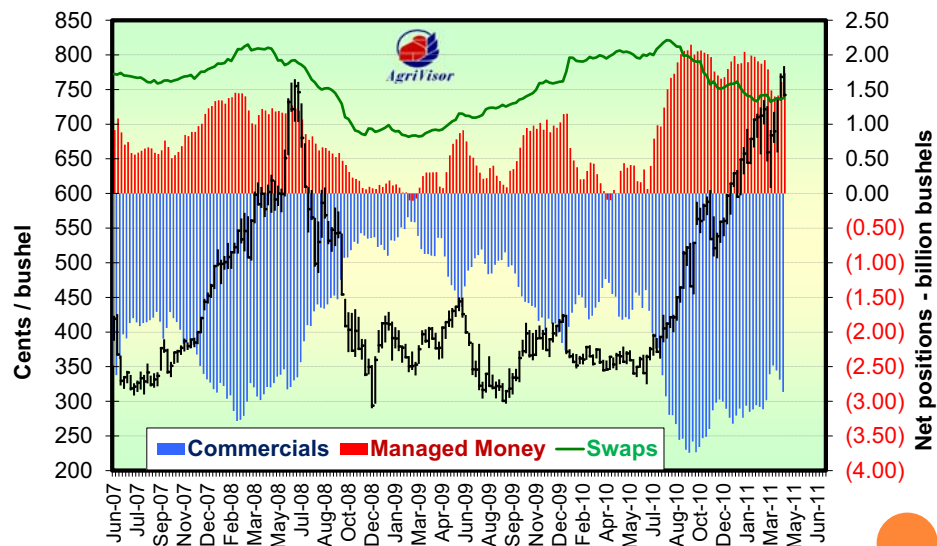
# CBOT CORN FUTURES

MONTHLY: FEBRUARY 2002 THRU MARCH 2011



# CORN FUTURES & TRADER POSITIONS

WEEKLY DATA, SOURCE: DALE L. DURCHHOLZ, AGRIVISOR LLC, THRU APRIL 4, 2011



futures data courtesy of CME group  
trader data courtesy of Commodity Futures Trading Commission

# U.S. CORN SUPPLY-DEMAND

USDA WASDE REPORT: APRIL 8, 2011

	MY 2008/09	MY 2009/10	MY 2010/11
Planted Ac. (mln.)	86.0	86.4	88.2
Harvested Ac (mln.)	78.6	79.5	** 81.4
Yield (bu./ac.)	153.9	Record High 164.7	* 152.8
Beginning Stocks	1,624	1,673	1,708
Production	12,092	Record 13,092	** 12,447
<b>Total Supplies</b>	13,729	Record 14,774	** 14,175
Ethanol	3,709	4,568	Record ** 5,000
Other Food, Seed, Ind.	1,316	1,371	1,400
Exports	1,849	1,987	1,950
Feed & Residual	5,182	5,140	** 5,150
<b>Total Use</b>	12,056	13,066	Rcrd ** 13,500
End Stocks (%S/U)	(13.9%) 1,673	(13.1%) 1,708	(5.0%) 675
<b>U.S. Avg. Farm \$</b>	<b>\$4.06</b>	<b>\$3.55</b>	<b>\$5.20-\$5.60</b>



# U.S. CORN S-D FOR MY 2011/12

USDA OUTLOOK FORUM & PROSPECTIVE PLANTINGS RPT: 2/24 & 3/31, 2011

	MY 2010/11	MY 2011/12
Planted Ac. (mln.)	88.2	92.2
Harvested Ac (mln.)	81.4	85.1
Yield (bu./ac.)	152.8	161.7
Beginning Stocks	1,708	675
Production	12,447	13,761
<b>Total Supplies</b>	14,175	14,456
Ethanol	5,000	5,050
Other Food, Seed, Ind.	1,400	1,410
Exports	1,950	2,000
Feed & Residual	5,150	5,150
<b>Total Use</b>	13,500	13,610
End Stocks (%S/U)	(5.0%) 675	(6.2%) 846
<b>U.S. Avg. Farm \$</b>	<b>\$5.40</b>	<b>\$5.25-\$6.00</b>



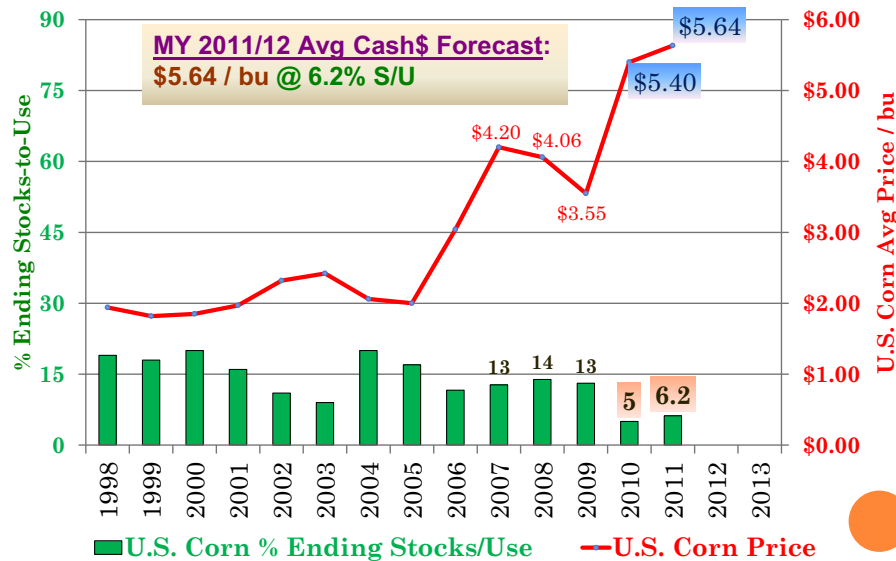
# U.S. PLANTED ACRES: 2009 - 2011

MARCH 31<sup>ST</sup> USDA PROSPECTIVE PLANTINGS REPORT (MILLION ACRES)

Crop	MY 2009/10	MY 2010/11	Expected MY 2011/12
<b>Corn</b>	86.4	88.2	92.2
<b>Sorghum</b>	6.6	5.4	5.6
<b>All Wheat</b>	59.2	53.6	58.0
Winter Wheat	43.3	37.3	41.2
Spring Wheat	13.3	13.7	14.4
<b>Soybeans</b>	77.5	77.4	76.6
Double Crop Soybeans	4.7	2.8	4.5 - 5.5
<b>Sunflowers</b>	2.0	2.0	1.8
<b>Cotton</b>	9.2	11.0	12.6
<b>CRP</b>	33.7	31.3	31.0 - 31.2
<b>Prevented Plntg.</b>	4.5	5.1	3.5 - 4.0
<b>Total (+ Hay)</b>	350.5	348.3	≈ 351

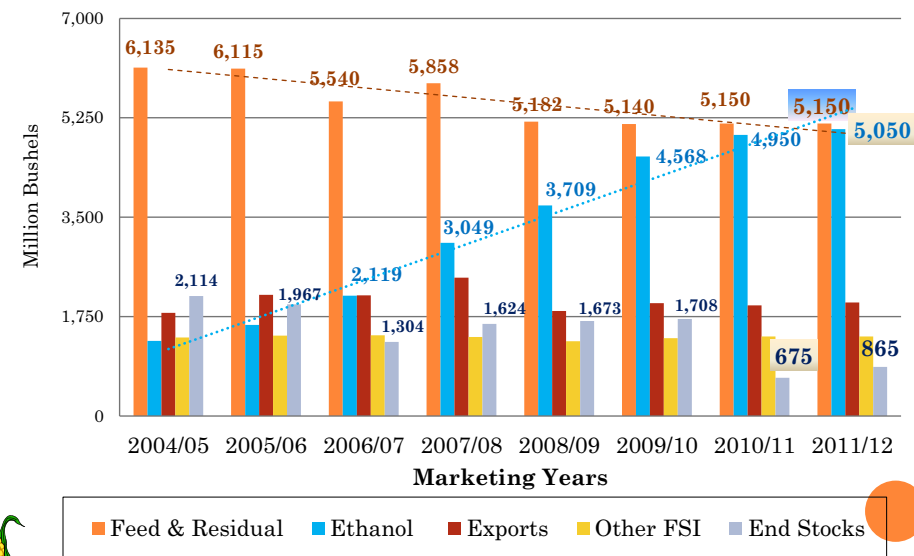
# U.S. CORN %STOCKS/USE VS PRICE\$

MY 1998/99 THRU MY 2011/12 USDA 2/24 & 3/31 OUTLOOK & ACREAGE PROJECTIONS



# U.S. CORN USE & END STOCKS

MY 2004/05 THRU MY 2011/12 APRIL 8 USDA WASDE, FEB 24 USDA OUTLOOK FORUM



# U.S. GRAIN SORGHUM SUPPLY-DEMAND

USDA WASDE REPORT: APRIL 8, 2011

	MY 2008/09	MY 2009/10	MY 2010/11
Planted Acres (mln.)	8.3	6.6	5.4
Harvested Ac. (mln.)	7.3	5.5	** 4.8
Yield (bu./ac.)	65.0	69.4	** 71.8
Beginning Stocks	53	55	41
Production	472	383	** 345
<b>Total Supplies</b>	<b>525</b>	<b>438</b>	<b>** 387</b>
Food, Seed, Industrial	95	90	95
Exports	143	166	** 140
Feed & Residual	233	140	** 120
<b>Total Use</b>	<b>471</b>	<b>396</b>	<b>** 355</b>
End Stocks (%S/U)	(11.7%) 55	(10.4%) 41	(9.0%) 32
<b>U.S. Avg. Farm \$</b>	<b>\$3.20</b>	<b>\$3.22</b>	<b>\$5.20-\$5.60</b>

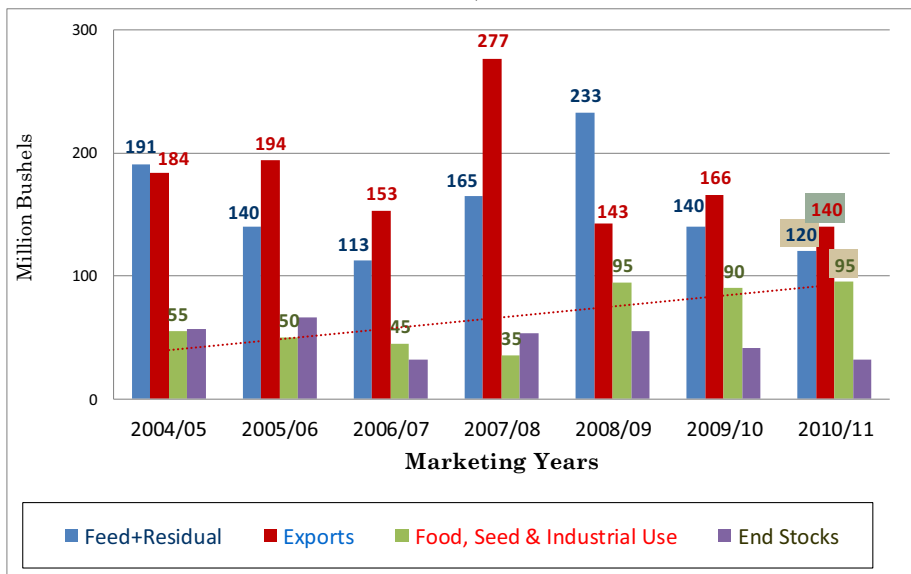
# U.S. MILO S-D FOR MY 2011/12

USDA OUTLOOK FORUM (2/24), PROS. PLNTGS. (3/31), & WASDE (4/8), 2011

	MY 2010/11	MY 2011/12
Planted Acres (mln.)	5.4	5.6
Harvested Ac.	4.8	4.8
Yield (bu./ac.)	71.8	65.3
Beginning Stocks	41	37
Production	345	313
<b>Total Supplies</b>	<b>387</b>	<b>350</b>
Food, Seed, Ind.	95	90
Exports	140	140
Feed & Residual	120	100
<b>Total Use</b>	<b>350</b>	<b>330</b>
End Stocks (%S/U)	(10.6%) 37	(6.1%) 20
<b>U.S. Avg. Farm \$</b>	<b>\$5.50</b>	<b>\$5.25-\$6.00</b>

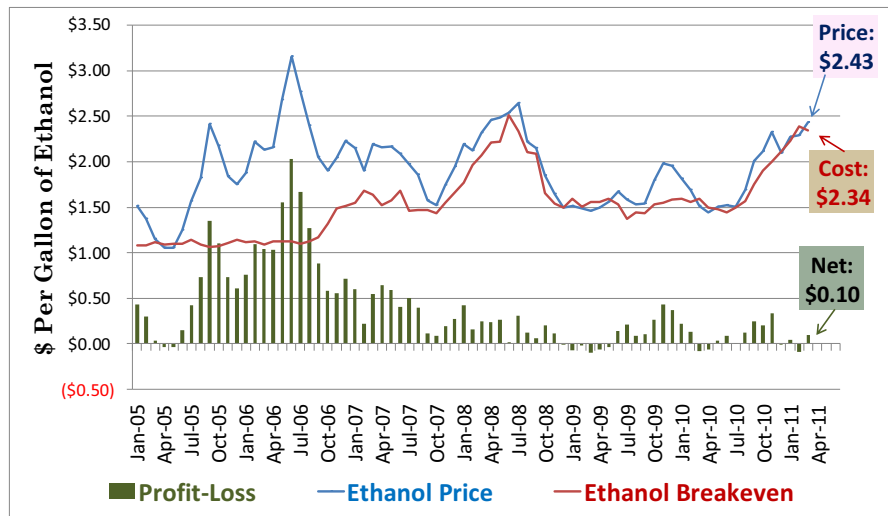
# U.S. MILO USE & END STOCKS

MY 2004/05 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# ETHANOL PRICE, COST & PROFITS

ISU ETHANOL PLANT MODEL (JANUARY 2005 – MARCH 2011)



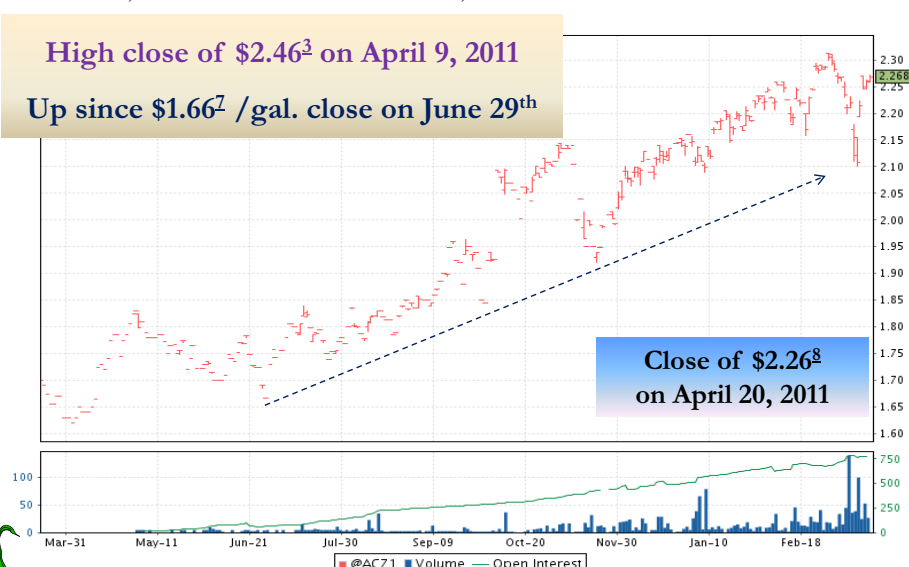
# CBOT MAY 2011 ETHANOL FUTURES

APRIL 19, 2010 THROUGH MARCH 22, 2011



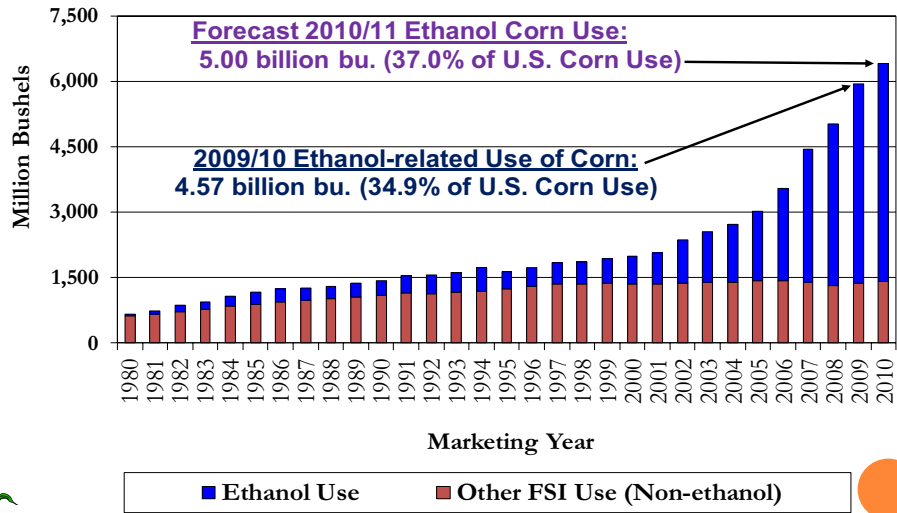
# CBOT DEC 2011 ETHANOL FUTURES

APRIL 19, 2010 THROUGH APRIL 20, 2011



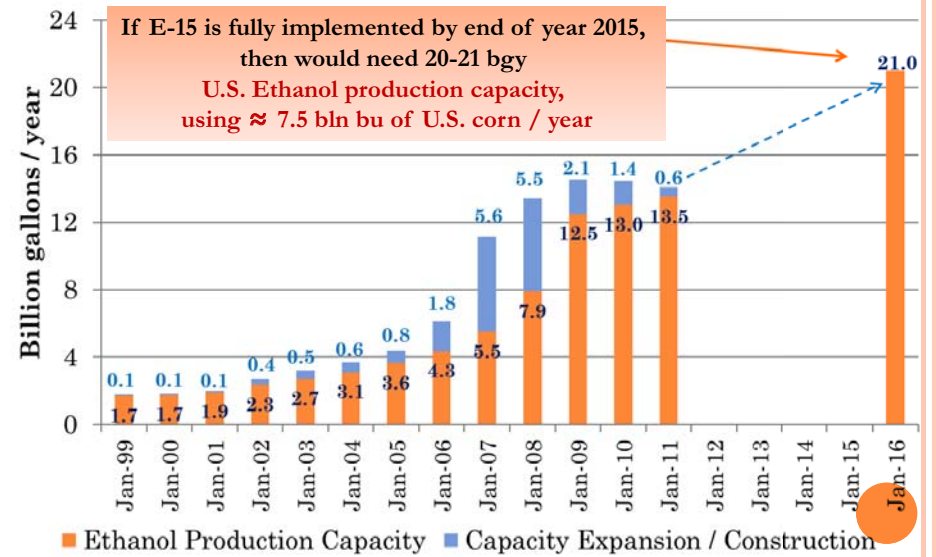
# U.S. CORN ETHANOL - FSI USE

APRIL 8, 2011 USDA WASDE REPORT



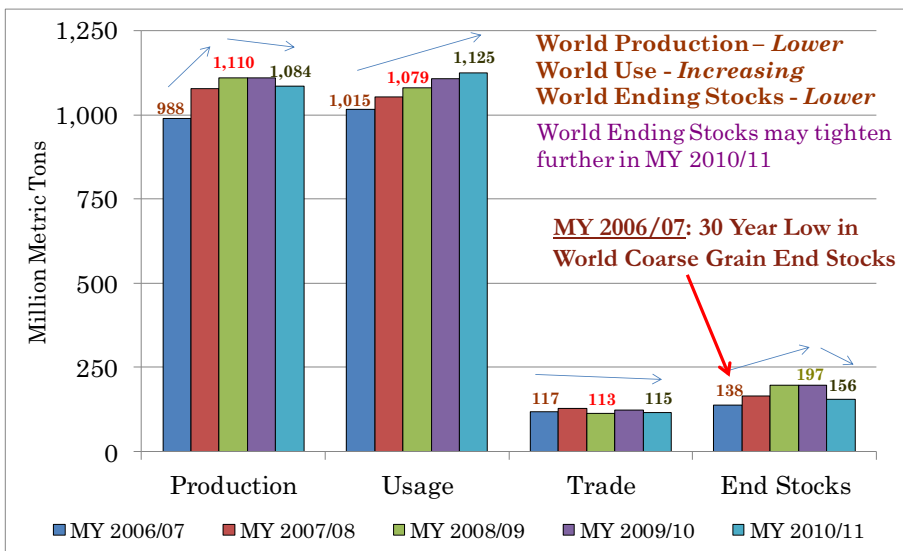
# U.S. ETHANOL INDUSTRY CAPACITY

SOURCE: RENEWABLE FUELS ASSOCIATION



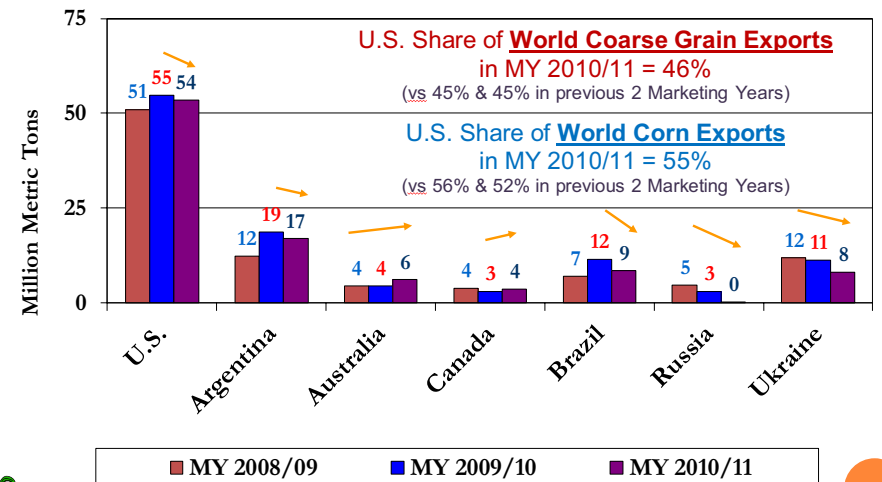
# WORLD COARSE GRAIN S-D

MY 2006/07 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# COARSE GRAIN EXPORTER SALES

MY 2007/08 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



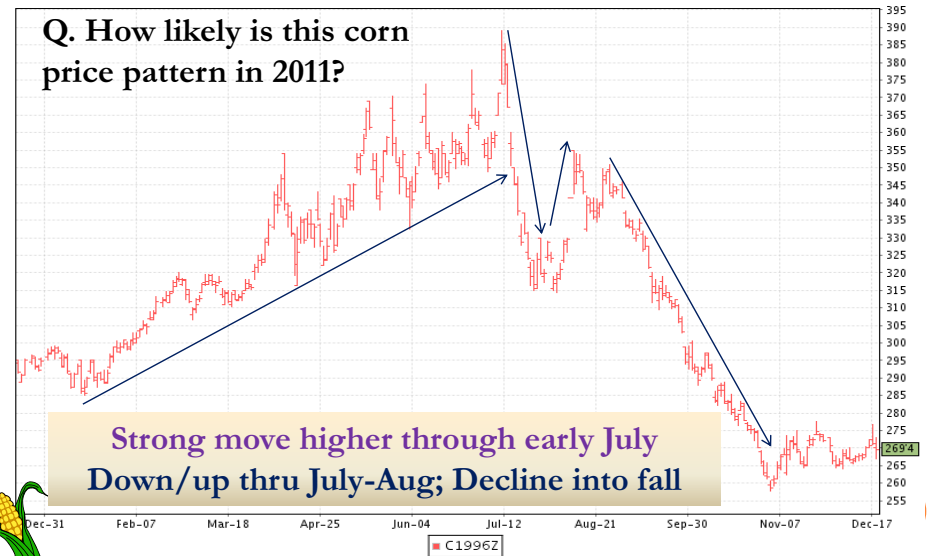
# CORN & MILO MARKETS IN 2011

- **“Tight” Corn Stocks in MY 2010/11**
  - Down to 675 bb & 5.0% S/U
- **Competition for Crop Acres in 2010/11**
  - NOV ‘11 Soybeans vs DEC ‘11 Corn → Spring 2011
    - New Crop Soybeans ( \$13.66 ) / Corn ( \$6.55 ½ ) = 2.08 (4/20/2011)
- **USDA 2011 Production #s:**
  - 92.2 mln. ac. (↑ 4.0 mln.) ⇒ 13.76 bln. bu. (↑ 1.3 bln.)
- **Tighter World Coarse Grain Supplies**
  - Problems in Argentina, Mexico, India, Australia, Russia & Ukraine offset a good crop in Brazil
  - China drought ⇒ possible future export buyer??



# CBOT DEC 1996 CORN FUTURES

HOW CORN MARKET RESPONDED TO TIGHT S/U IN SUMMER 1996

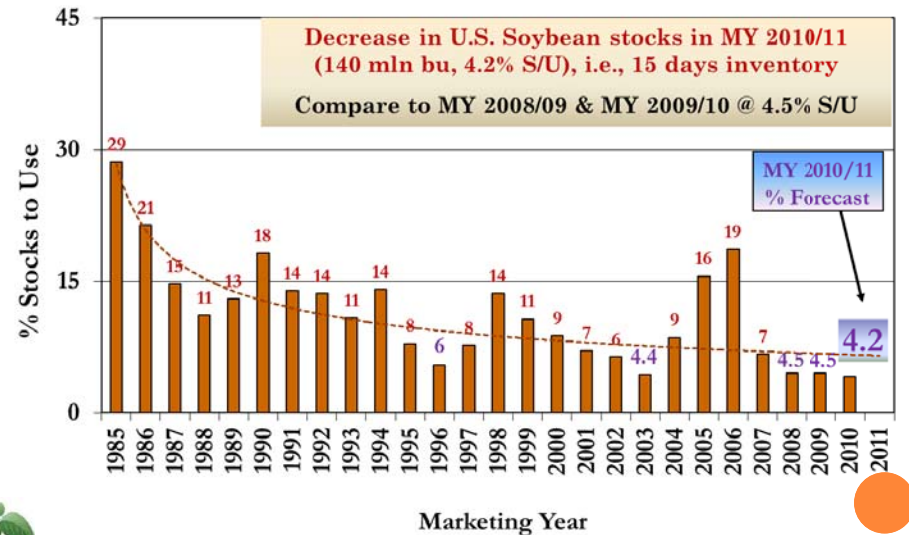


# SOYBEAN MARKETS



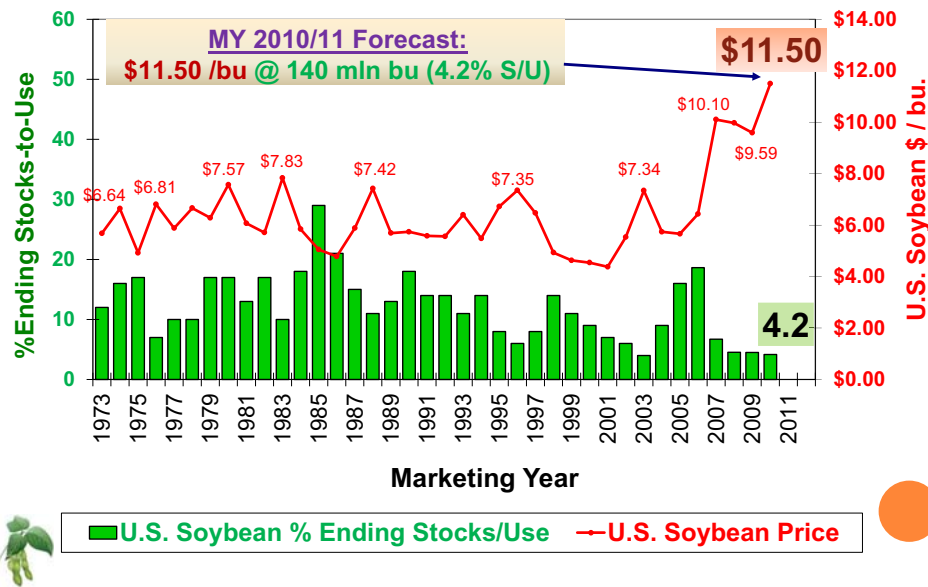
# U.S. SOYBEAN %ENDING STOCKS-USE

MY 1985/86 THRU MY 2010/11: APRIL 8, 2011 USDA WASDE REPORT



# U.S. SOYBEAN %STOCKS/USE VS PRICE\$

MY 1973/74 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



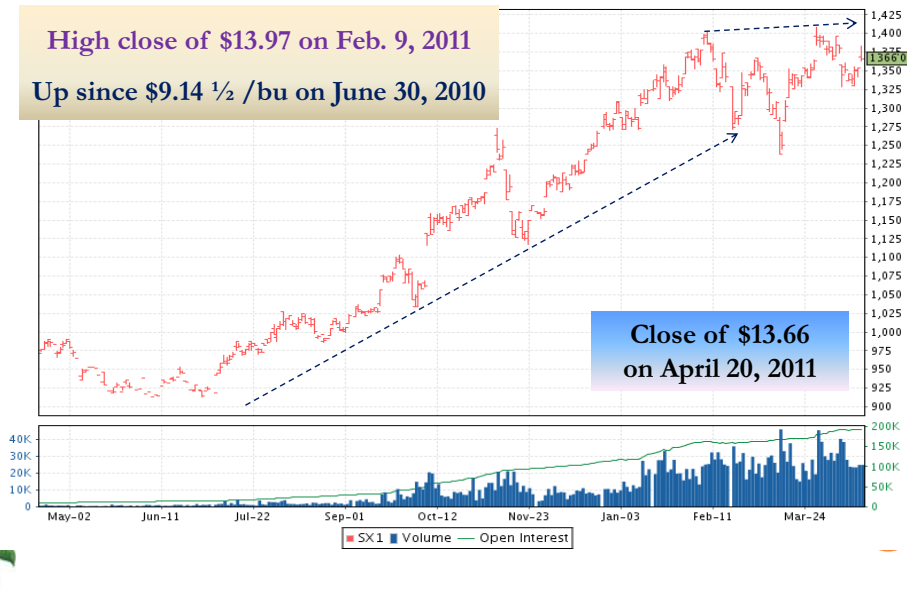
# CBOT MAY 2011 SOYBEAN FUTURES

APRIL 19, 2010 TO APRIL 20, 2011



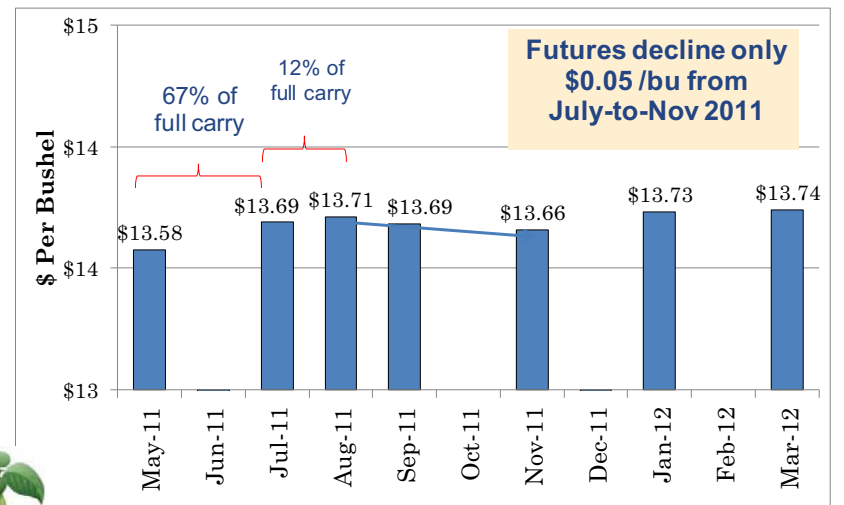
# CBOT NOV 2011 SOYBEAN FUTURES

APRIL 19, 2010 TO APRIL 20, 2011



# CBOT SOYBEAN FUTURES

MONTHLY CARRYING CHARGES: APRIL 20, 2011



# CBOT SOYBEAN FUTURES

MONTHLY: FEBRUARY 2002 THRU MARCH 2011

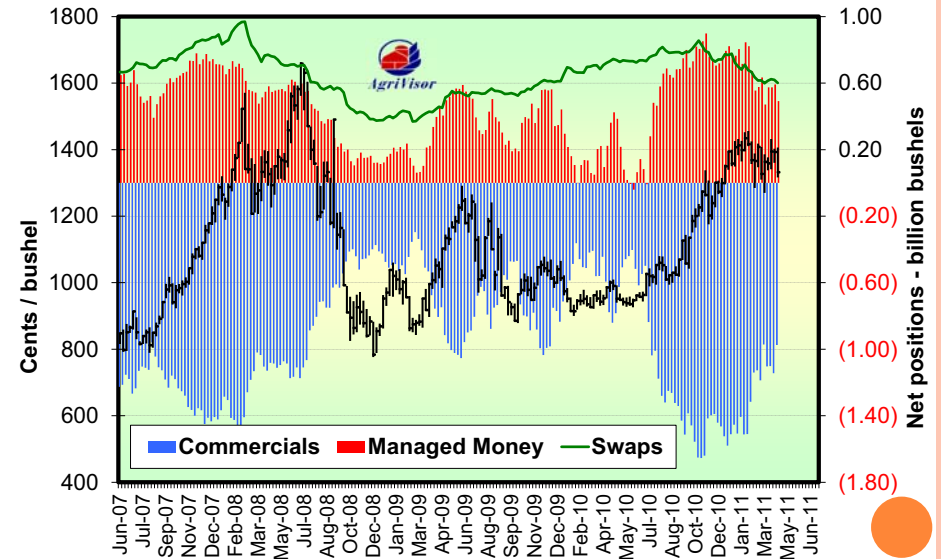
03/31/2011 C=1410^2 +53^0 O=1368^0 H=1431^0 L=1270^0 Mov Avg 3 lines

May 2011 @ \$13.58 on 4/20/2011



# SOYBEAN FUTURES & TRADER POSITIONS

WEEKLY DATA, SOURCE: DALE L. DURCHHOLZ, AGRIVISOR LLC, THRU APRIL 4, 2011



futures data courtesy of CME group  
trader data courtesy of Commodity Futures Trading Commission

## U.S. SOYBEAN SUPPLY-DEMAND

APRIL 8, 2011 USDA WASDE REPORT

	MY 2008/09	MY 2009/10	MY 2010/11
Planted Acres (mln.)	75.7	77.5	** 77.4
Harvested Acres (mln.)	74.7	76.4	** 76.6
Yield (bu./ac.)	39.7	44.0	** 43.5
Beginning Stocks	205	138	151
Production	2,967	3,359	** 3,329
<b>Total Supplies</b>	<b>3,185</b>	<b>3,512</b>	<b>** 3,495</b>
Crushings	1,662	1,752	** 1,650
Exports	1,279	1,501	Record High 1,580
Seed & Residual	106	108	125
<b>Total Use</b>	<b>3,047</b>	<b>3,361</b>	<b>** 3,355</b>
Ending Stocks (%S/U)	(4.5%) 138	(4.5%) 151	(4.2%) 140
<b>U.S. Avg. Farm \$</b>	<b>\$9.97</b>	<b>\$9.59</b>	<b>\$11.25-\$11.75</b>

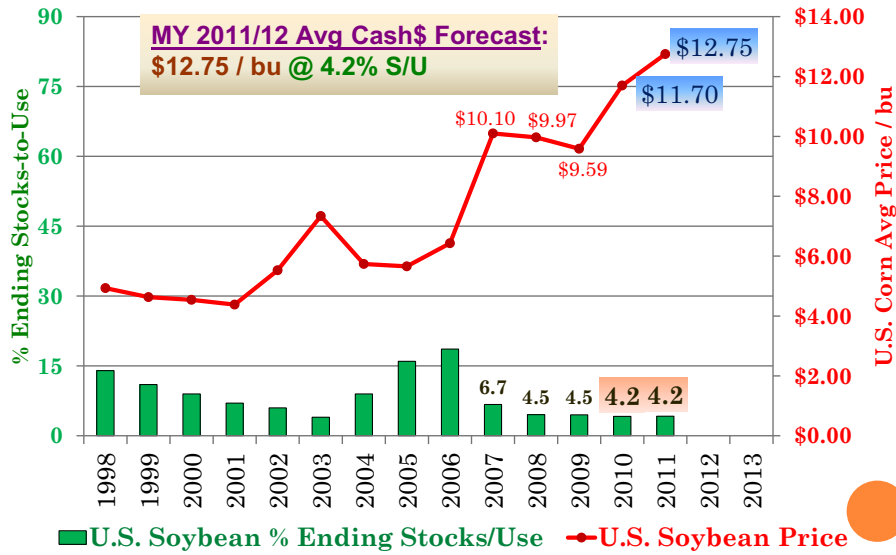
## U.S. SOYBEAN S-D FOR MY 2011/12

USDA OUTLOOK FORUM & PROSPECTIVE PLANTINGS RPT: 2/24 & 3/31, 2011

	MY 2010/11	MY 2011/12
Planted Acres (mln.)	77.4	76.6
Harvested Acres	76.6	75.7
Yield (bu./ac.)	43.5	43.4
Beginning Stocks	151	140
Production	3,329	3,285
<b>Total Supplies</b>	<b>3,495</b>	<b>3,440</b>
Crushings	1,650	1,650
Exports	1,580	1,545
Seed & Residual	125	105
<b>Total Use</b>	<b>3,355</b>	<b>3,300</b>
Ending Stocks	(4.2%) 140	(4.2%) 140
<b>U.S. Avg. Farm \$</b>	<b>\$11.50</b>	<b>\$12.00-\$13.50</b>

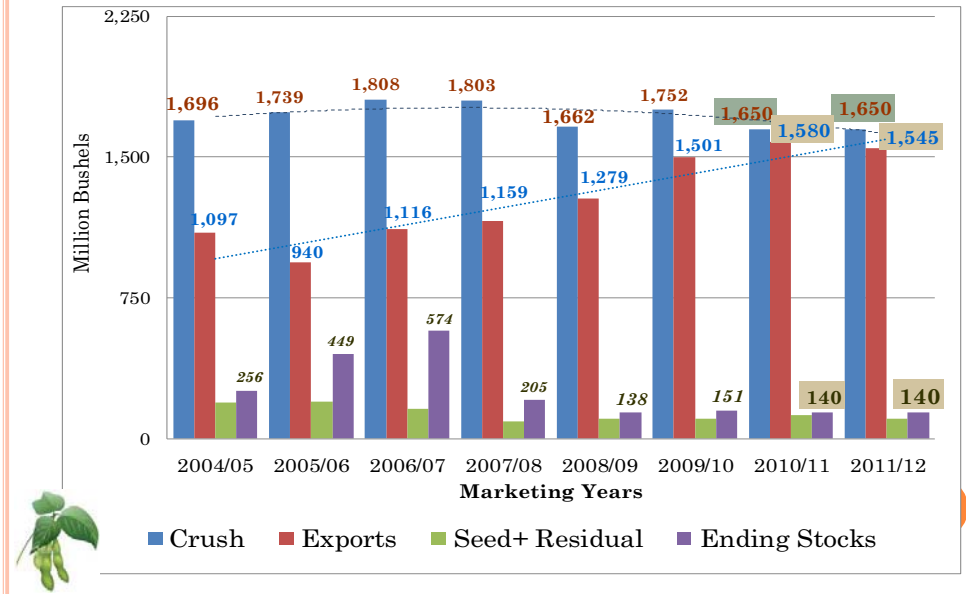
# U.S. SOYBEAN %STOCKS/USE vs \$

MY 1998/99 THRU MY 2011/12 FEBRUARY 24, 2011 USDA OUTLOOK FORUM



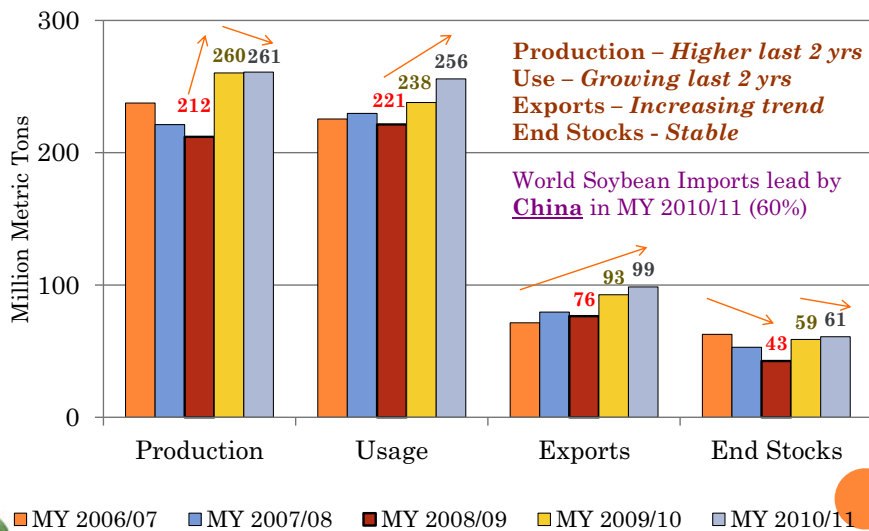
# U.S. SOYBEAN USE & END STOCKS

MY 2004/05 THRU MY 2011/12 APRIL 8 USDA WASDE, FEB 24 USDA OUTLOOK FORUM



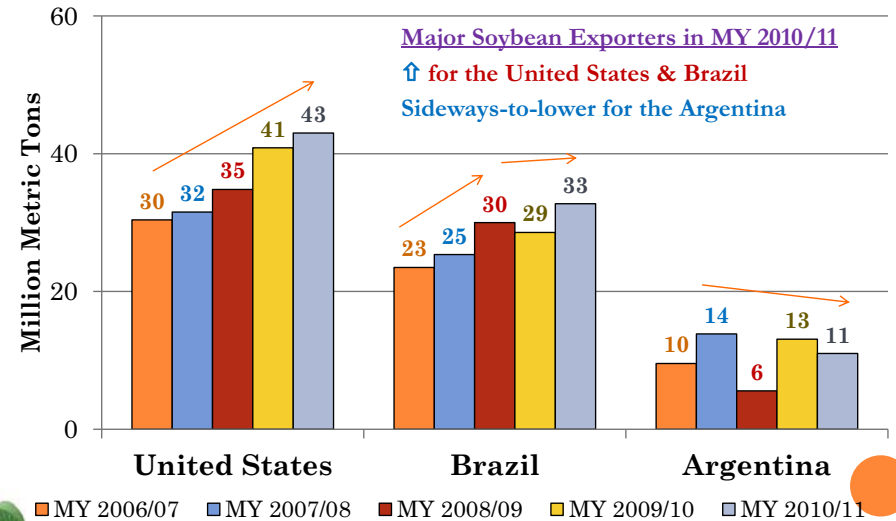
# WORLD SOYBEAN SUPPLY-DEMAND

MY 2006/07 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# SOYBEAN EXPORTER SALES

MY 2006/07 THRU MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# OILSEED MARKET DIRECTION

## Competition for Crop Acres in 2010/11

- NOV '11 Soybeans vs DEC '11 Corn → Spring 2011
  - New Crop Soybeans ( \$13.66 ) / Corn ( \$6.55 ½ ) = 2.08 (4/20/2011)
  - Fear of short U.S. Soybean acres & supplies in 2011

## U.S., Brazil & Argentina Competing for Exports of 2011 Soybeans & Soy Products

- Large 2011 Brazilian production, OK in Argentina
- China → a strong but “narrow” export demand base

## Projections for 2011/12 – Only small increases in U.S. Acres, Production & Ending Stocks

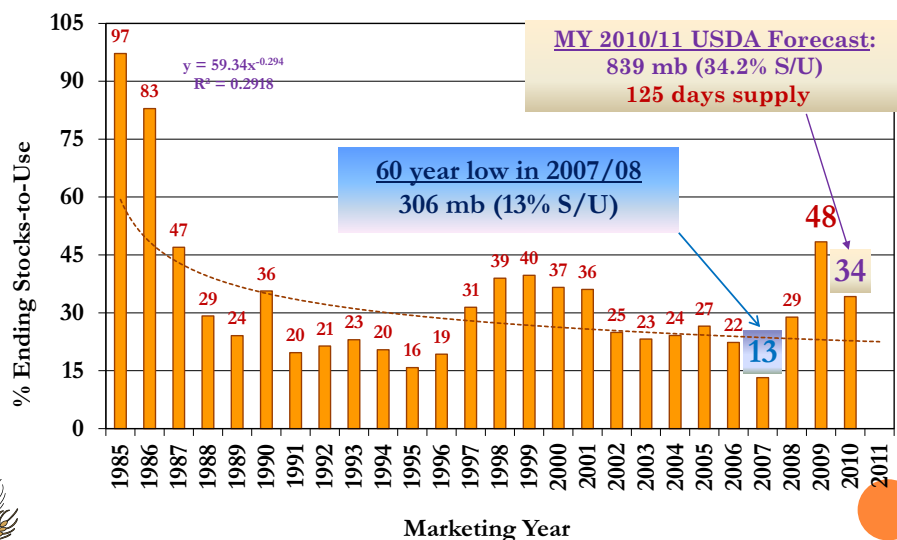


# WHEAT MARKETS



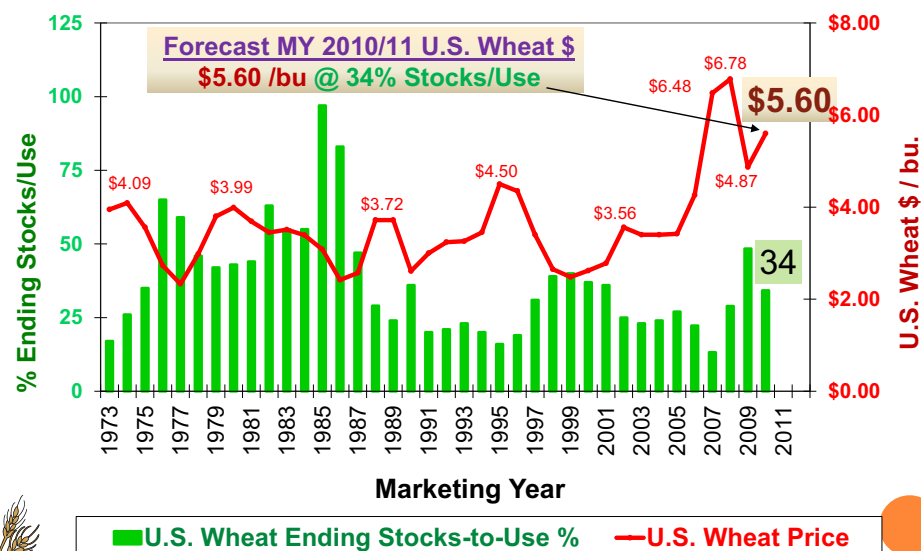
## U.S. WHEAT % END STOCKS-USE

MY 1985/86 THRU MY 2010/11 APRIL 8, 2011 USDA-WASDE REPORTS



## U.S. WHEAT %STOCKS/USE VS \$

MY 1973/74 – MY 2010/11 APRIL 8, 2011 USDA-WASDE REPORT



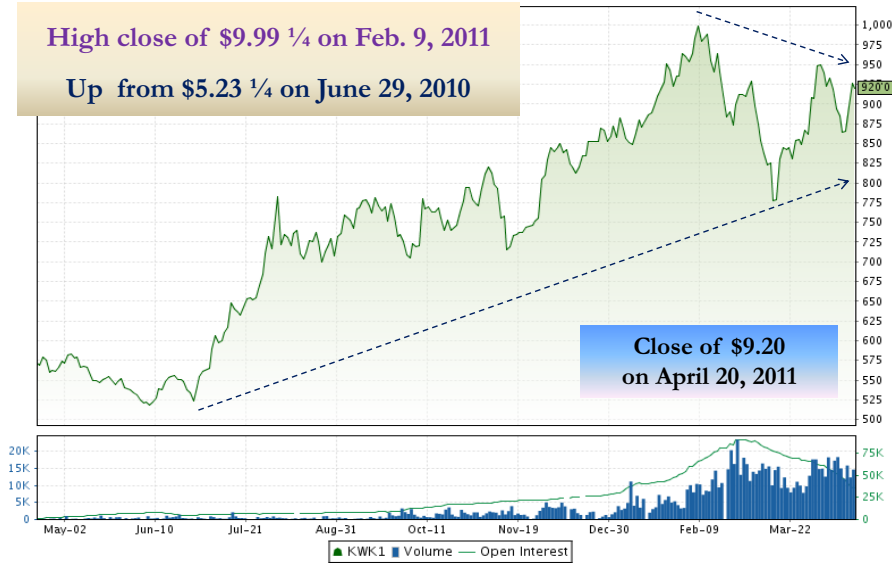
# MAY 2011 HRW-WHEAT FUTURES

APRIL 19, 2010 THROUGH APRIL 20, 2011

High close of \$9.99 1/4 on Feb. 9, 2011

Up from \$5.23 1/4 on June 29, 2010

Close of \$9.20 on April 20, 2011



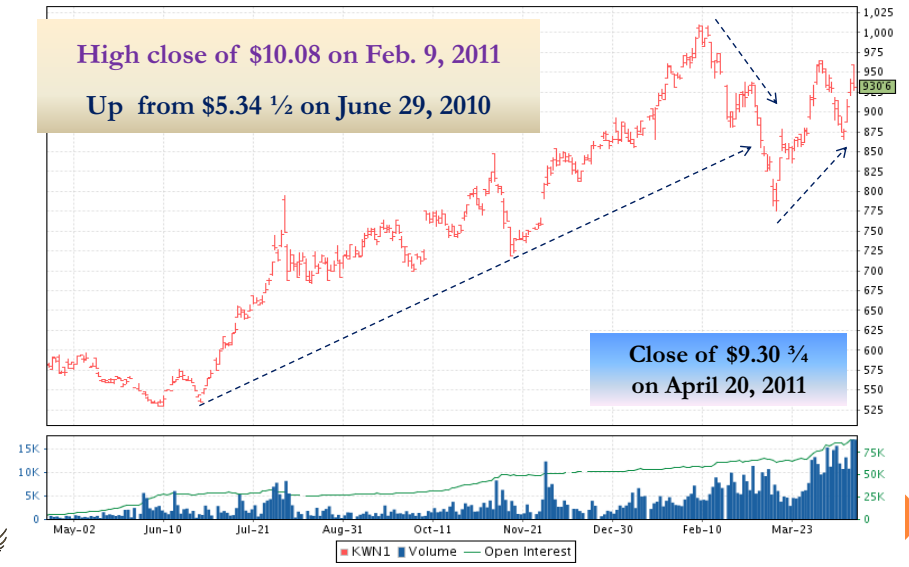
# JULY 2011 HRW-WHEAT FUTURES

APRIL 19, 2010 THROUGH APRIL 20, 2011

High close of \$10.08 on Feb. 9, 2011

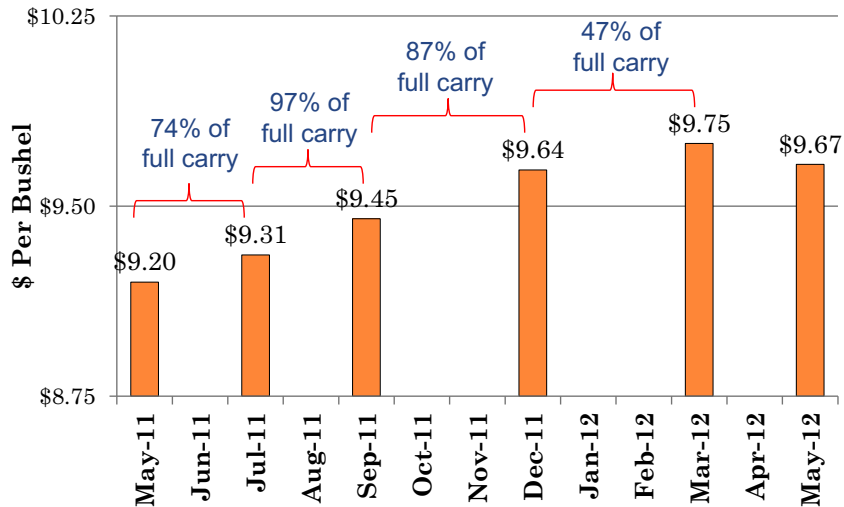
Up from \$5.34 1/2 on June 29, 2010

Close of \$9.30 3/4 on April 20, 2011



# KCBT WHEAT FUTURES

MONTHLY CARRYING CHARGES: APRIL 20, 2011



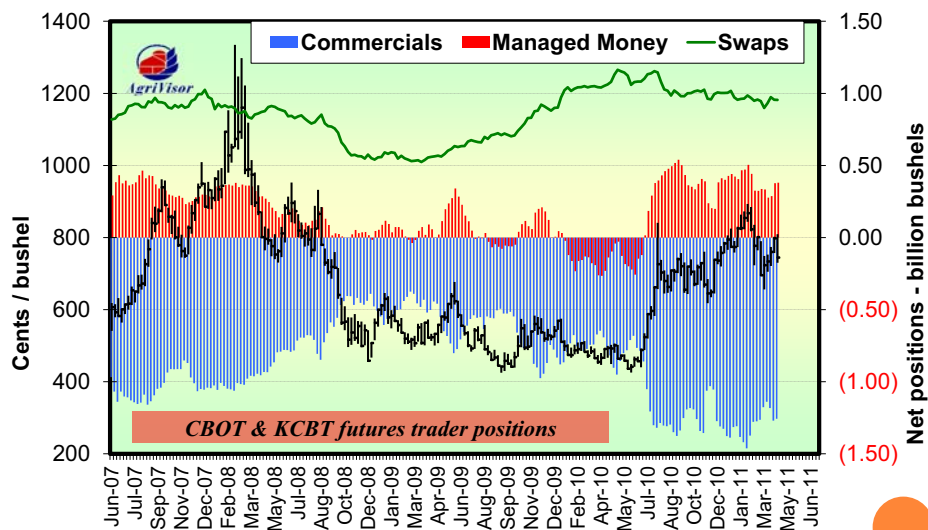
# HRW WHEAT FUTURES

KCBT: MONTHLY, FEBRUARY 2002 THRU MARCH 2011

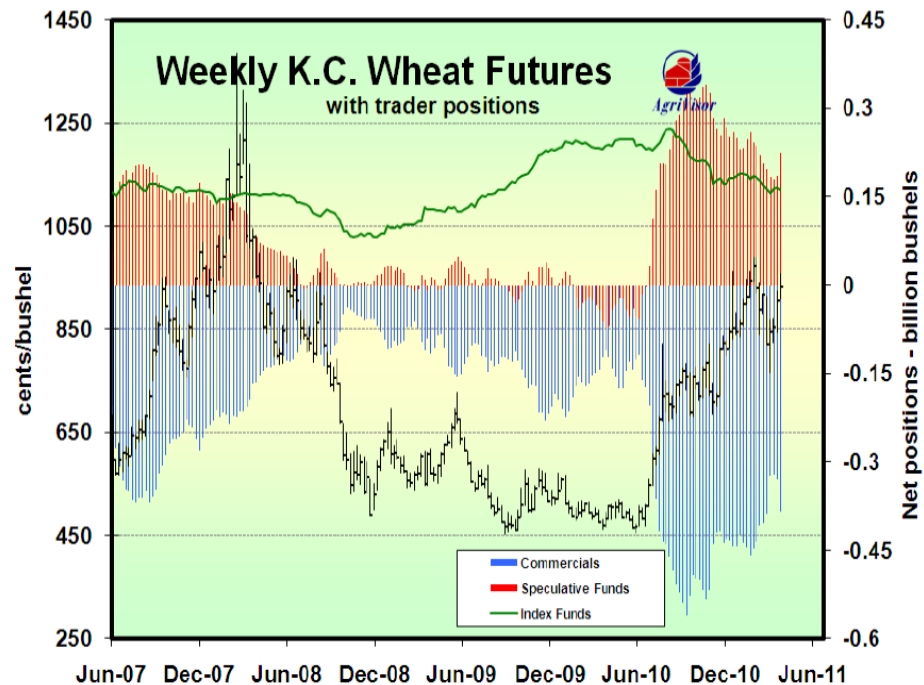


# WHEAT FUTURES & TRADER POSITIONS

WEEKLY DATA, SOURCE: DALE L. DURCHHOLZ, AGRIVISOR LLC, THRU APRIL 4, 2011



futures data courtesy of CME group  
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USDA WASDE REPORT: APRIL 8, 2011

	MY 2008/09	MY 2009/10	MY 2010/11
Planted Acres (mln.)	63.2	59.2	53.6
Harvested Ac. (mln.)	55.7	49.9	47.6
Yield (bu./ac.)	44.9	44.5	**Record** 46.4
Beginning Stocks	306	657	976
Production	2,499	2,218	2,208
<b>Total Supplies</b>	<b>2,932</b>	<b>2,993</b>	<b>3,294</b>
Food & Seed	1,005	986	1,010
Exports	1,015	881	**Key!** 1,275
Feed & Residual	255	150	170
<b>Total Use</b>	<b>2,275</b>	<b>2,018</b>	<b>**** 2,455</b>
End Stocks (%S/U)	(28.9%) 657	** (48.4%) 976	(34.2%) 839
<b>U.S. Ave. Farm \$</b>	<b>**Record** \$6.78</b>	<b>\$4.87</b>	<b>\$5.50-\$5.70</b>

# U.S. WHEAT S-D FOR MY 2011/12

USDA OUTLOOK FORUM & PROSPECTIVE PLANTINGS RPT: 2/24 & 3/31, 2011

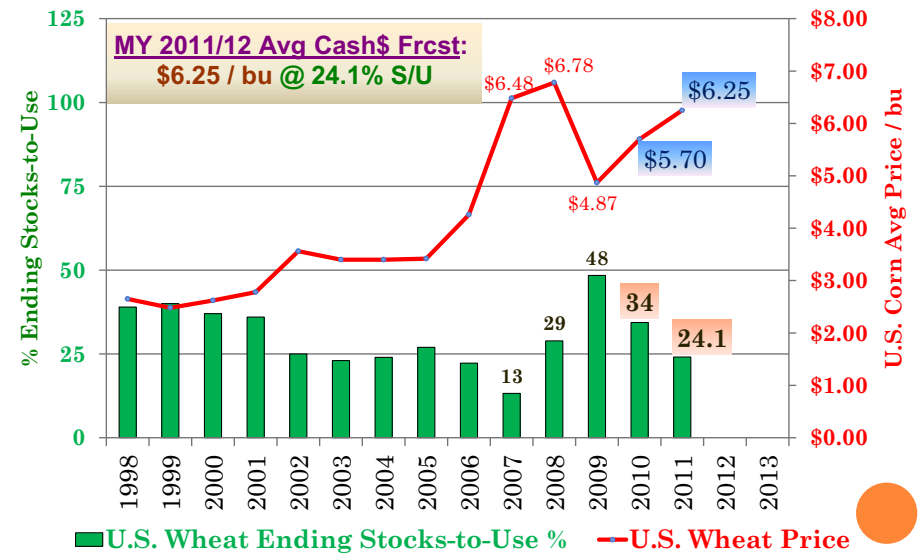
	MY 2010/11	MY 2011/12
Planted Acres	53.6	58.0
Harvested Ac.	47.6	47.5
Yield (bu./ac.)	46.4	43.8
Beginning Stocks	976	839
Production	2,208	2,080
<b>Total Supplies</b>	<b>3,294</b>	<b>3,029</b>
Food & Seed	1,010	1,020
Exports	1,275	1,150
Feed & Residual	170	270
<b>Total Use</b>	<b>2,455</b>	<b>2,440</b>
End Stocks (%S/U)	(34.2%) 839	(24.1%) 589
<b>U.S. Ave. Farm \$</b>	<b>\$5.60</b>	<b>\$5.75 - \$6.75</b>

# U.S. WINTER WHEAT CONDITION: PRIMARY HRW WHEAT STATES AS OF APRIL 17<sup>TH</sup>

	Top Soil Moisture % Short - Very Short	Sub Soil Moisture % Short - Very Short	% Crop Progress	% Poor to Very Poor	% Fair to Poor - Very Poor
<b>Kansas</b>	<b>80%</b> West 1/3 <sup>rd</sup>	<b>88%</b> West 1/3 <sup>rd</sup>	<b>50% Jointed</b> 57% 5yr avg	<b>42%</b> Statewide	<b>75%</b> Statewide
<b>Oklahoma</b>	<b>85%</b>	<b>89%</b>	<b>41% Headed</b> 18% 5yr avg	<b>69%</b>	<b>93%</b>
<b>Texas</b>	<b>99%</b> High Plains	---	<b>33% Headed</b> 28% 5yr avg	<b>68%</b>	<b>90%</b>
<b>Nebraska</b>	<b>13%</b>	<b>25%</b>	<b>7% Jointed</b> 10% 5yr avg	<b>19%</b>	<b>57%</b>
<b>Colorado</b>	<b>66%</b>	<b>71%</b>	<b>18% Jointed</b> 24% 5yr avg	<b>48%</b>	<b>83%</b>

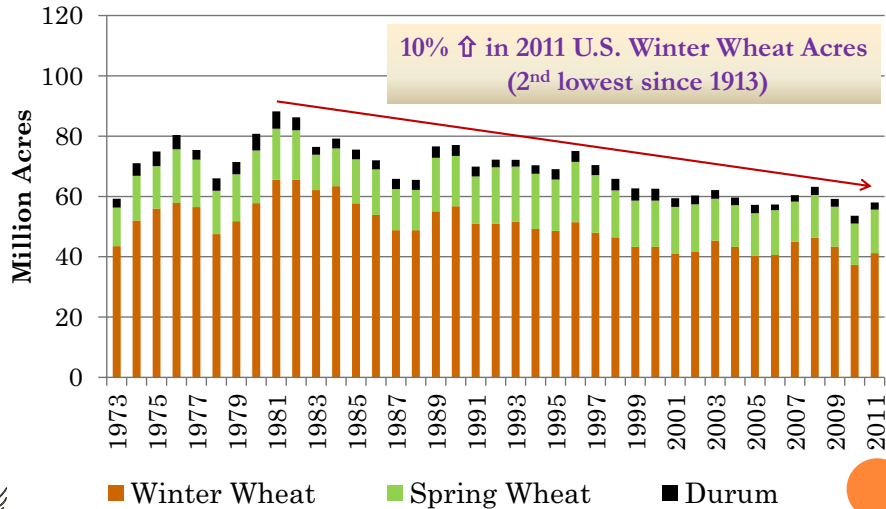
# U.S. WHEAT %STOCKS/USE VS \$

MY 1998/99 THRU MY 2011/12 2/24 & 4/8 2011 USDA PROJECTIONS



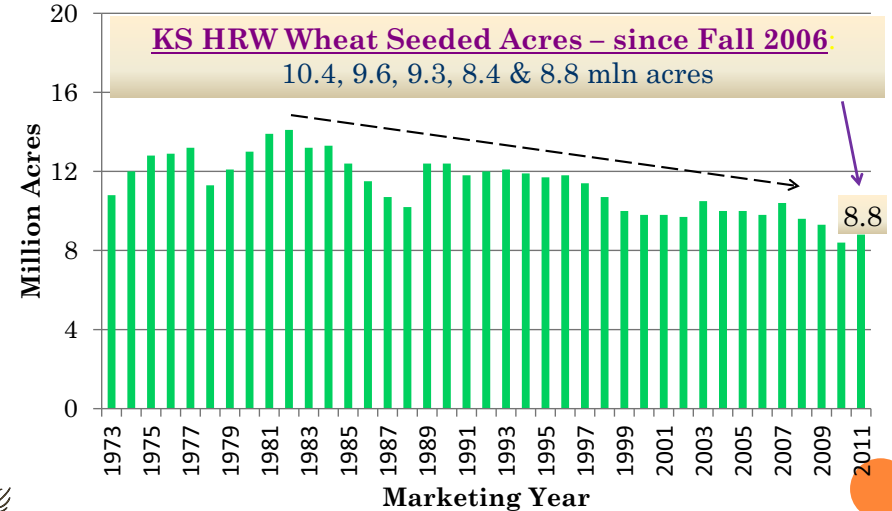
# U.S. WHEAT SEEDED ACREAGE

1973 - 2011: MARCH 31<sup>ST</sup> 2011 USDA PROSPECTIVE PLANTINGS REPORT



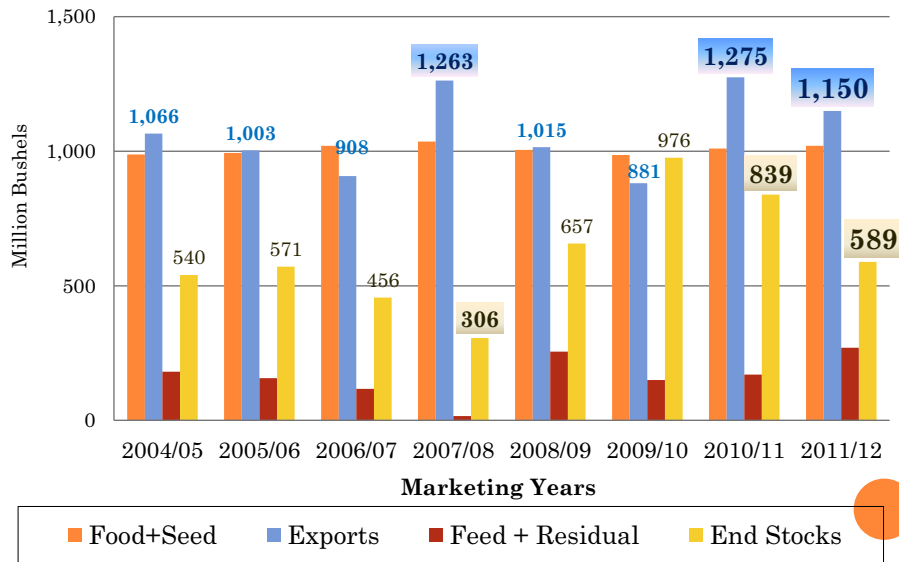
# KANSAS HRW-W SEEDED ACREAGE

1973 - 2011: MARCH 31<sup>ST</sup> 2011 USDA PROSPECTIVE PLANTINGS REPORT



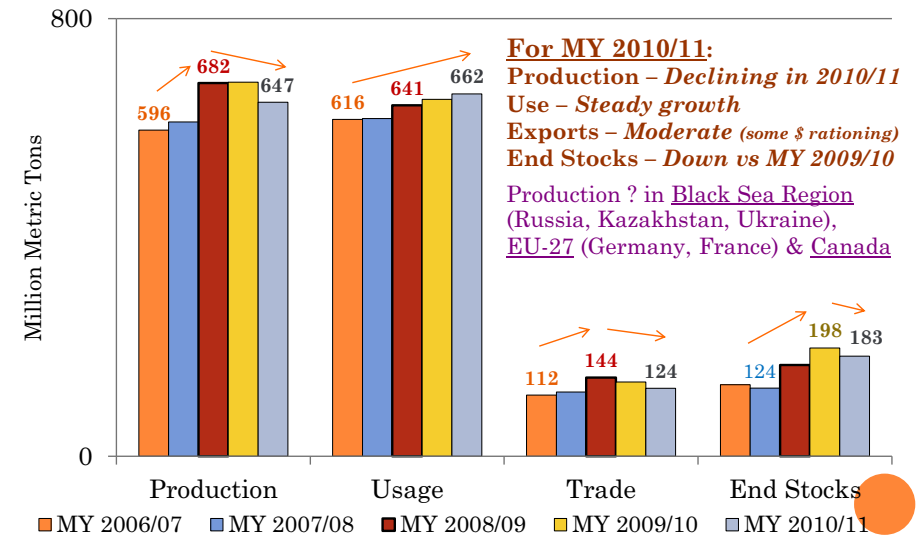
# U.S. WHEAT USE & END STOCKS

MY 2004/05 – MY 2011/12 FEB. 24 & APRIL 8, 2011 USDA PROJECTIONS



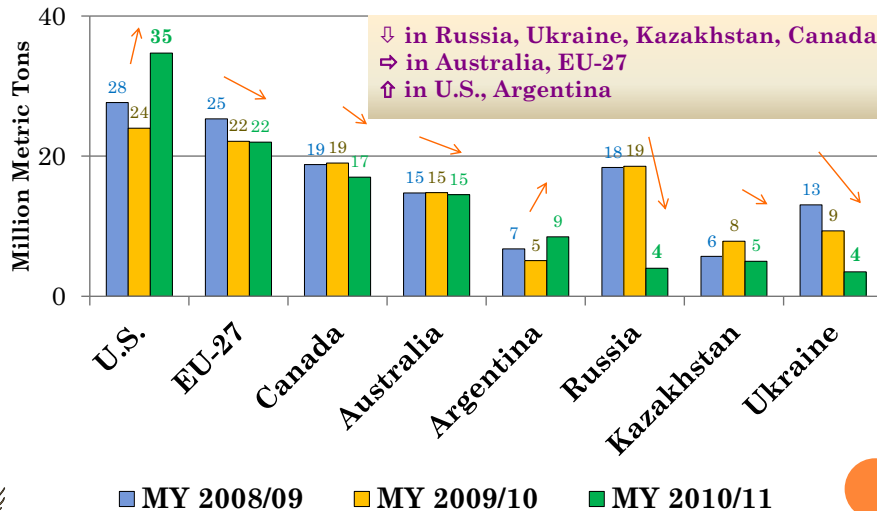
# WORLD WHEAT SUPPLY-DEMAND

MY 2006/07 – MY 2010/11 APRIL 8, 2011 USDA WASDE REPORT



# WORLD WHEAT EXPORTER SALES

MY 2008/09 – MY 2010/11 APRIL 8, 2011 USDA-WASDE REPORT



# WHEAT MARKET DIRECTIONS

- **Production Worries Driving Market**
    - Drought prospects in China wheat areas ⇔ Imports?
    - 2011 U.S. Central-Southern Plains Crop Problems
      - What if the 2011 U.S. HRW wheat crop is short 100 to 200+ million bushels?
  - **Continued Support for Wheat Prices**
    - Political concerns in the Middle East
    - Strength in corn-soybeans & lower U.S. Dollar
      - Salina Cash Wheat (\$8.61) / Corn (\$6.91) = 1.25 (4/20/2011)
- ⇒ Wheat prices likely to remain strong through at least early spring 2011 (*longer if short crops in U.S., China, elsewhere*)



# OLD & NEW CROP GRAIN MARKETING OPPORTUNITIES



## KANSAS CORN SEASONAL \$ INDEX

“SHORT” MARKETING YEARS: 1973/74 THRU 2009/10



## KANSAS CORN SEASONAL \$ INDEX

“NORMAL” MARKETING YEARS: 1973/74 THRU 2009/10



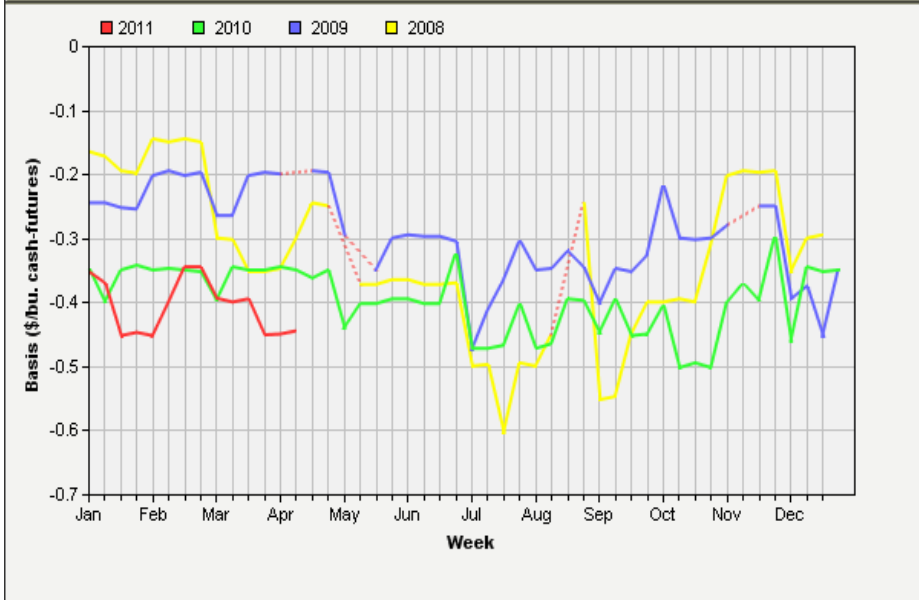
## CBOT CORN FUTURES PRICE %'S

BASED ON OPTION PREMIUMS FOR JULY-2011 & DEC-2011

	July 2011 CBOT Corn	Dec 2011 CBOT Corn
<b>Price on 3/22/2011</b>	<b>\$6.94</b>	<b>\$6.12 ¼</b>
Low 10%	\$4.75	\$3.35
Low 30%	\$5.99	\$4.56
<b>Middle 50%</b>	<b>\$6.75</b>	<b>\$5.72</b>
High 70%	\$7.52	\$6.47
High 90%	\$8.99	\$7.80
<b>Prob. Of \$ Falling</b>	<b>56%</b>	<b>61%</b>
<b>Price on 4/20/2011</b>	<b>\$7.40 ½</b>	<b>\$6.55 ½</b>



Basis Information: SALINA, KS - Corn  
K-State Dept of Agricultural Economics, www.AgManager.info

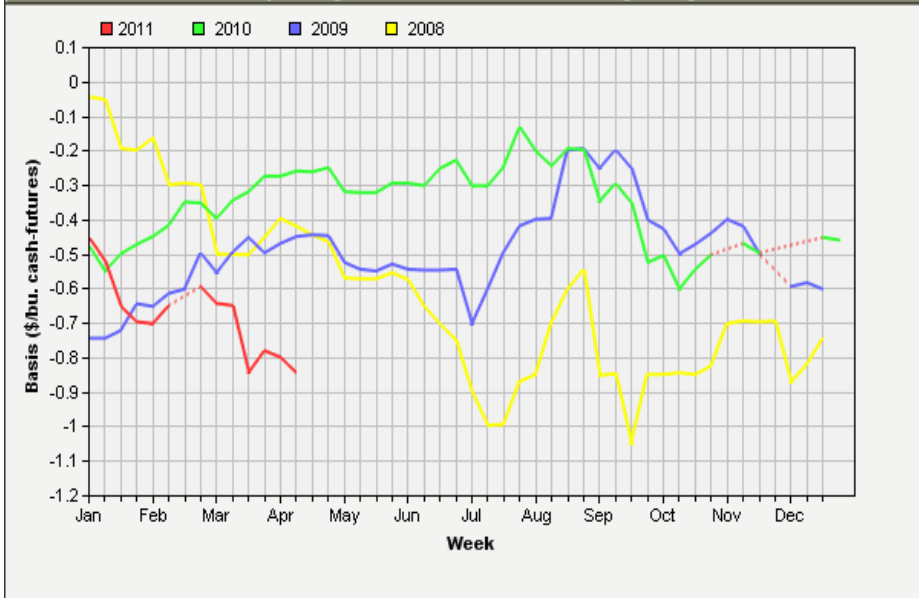


## CORN MARKETING OPPORTUNITIES

(SALINA, KS AREA VIA DTN ONLINE, APRIL 20, 2011)

- Current Cash Corn \$s = \$6.88 - \$6.91 /bu
- Current Corn Basis Bids (\$7.33 May) = \$0.42 - \$0.45 under
- New Crop Forward Contracts = \$5.87 /bu
- New Crop FC Basis (\$6.55 Dec) = \$0.68 under
- Put Option @-the-money \$6.60/bu = \$0.79 /bu
- Put Option Futures Price Floor ≈ \$5.79 DEC Corn
- Put Option Cash Price Floor (est.) ≈ \$5.11 /bu

Basis Information: SALINA, KS - Grain Sorghum  
K-State Dept of Agricultural Economics, www.AgManager.info



## MILO MARKETING OPPORTUNITIES

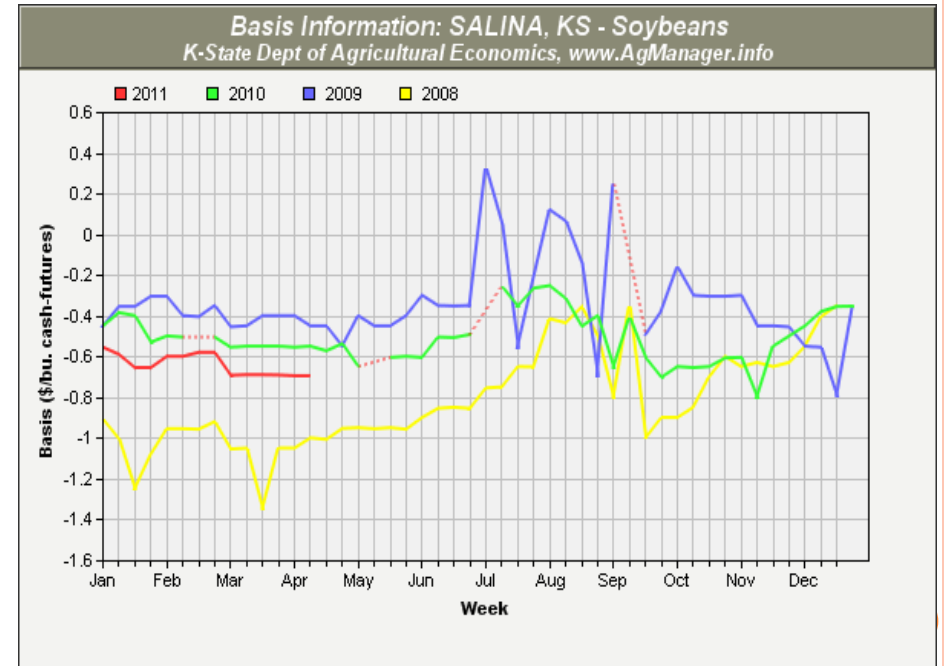
(SALINA, KS AREA VIA DTN ONLINE, APRIL 20, 2011)

- Current Cash Milo Prices = \$6.48 /bu
- Current Milo Basis Bids (\$7.33 May) = \$0.85 /bu under
- New Crop Forward Contracts = \$5.67 /bu
- New Crop FC Basis (\$6.55 Dec) = \$0.88 under
- Put Option @-the-money \$6.60/bu = \$0.79 /bu
- Put Option Futures Price Floor ≈ \$5.79 DEC Corn
- Put Option Cash Price Floor (est.) ≈ \$4.91 /bu

# CBOT SOYBEAN FUTURES \$ %'S

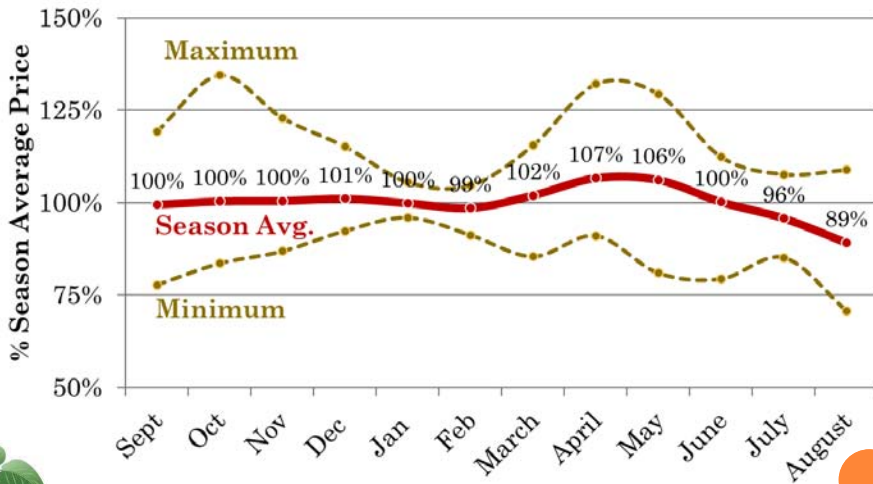
BASED ON OPTION PREMIUMS FOR JULY-2011 & NOV-2011

	July-2011 CBOT Soybeans	Nov-2011 CBOT Soybeans
Price on 3/22/2011	\$13.75	\$13.44
Low 10%	\$12.22	\$10.59
Low 30%	\$12.95	\$12.00
Middle 50%	\$13.45	\$12.95
High 70%	\$14.36	\$14.20
High 90%	\$16.19	\$16.47
Prob. Of \$ Falling	57%	60%
Price on 4/20/2011	\$13.69 ¼	\$13.66



# KANSAS SOYBEAN SEASONAL \$ INDEX

"SHORT CROP" MARKETING YEARS: 1973/74 THRU 2009/10



# KANSAS SOYBEAN SEASONAL \$ INDEX

"NORMAL CROP" MARKETING YEARS: 1973/74 THRU 2009/10



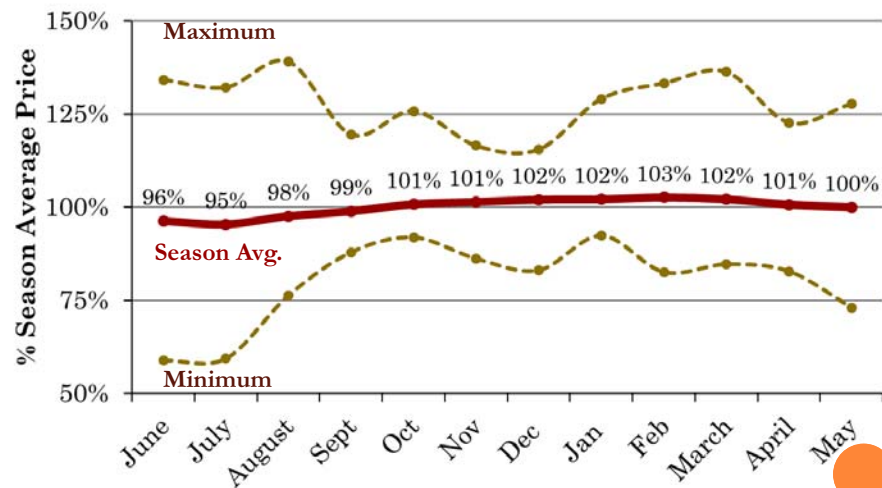
## SOYBEAN MARKETING OPPORTUNITIES

(SALINA, KS AREA VIA DTN ONLINE, APRIL 20, 2011)

- Current Cash Soybean Prices = \$13.07-\$13.08 /bu
- Current Soybean Basis (\$13.58 May) = \$0.50-\$0.51 under
- New Crop Forward Contracts = \$12.70 /bu
- New Crop FC Basis (\$13.66 Nov) = \$0.96 under
- Put Option @-the-money \$13.60/bu = \$0.99 /bu
- Put Option Futures Price Floor ≈ \$12.99 NOV Soyb
- Put Option Cash Price Floor (est) ≈ \$12.03 /bu

## KANSAS WHEAT SEASONAL \$ INDEX

ALL YEARS: MY 1973/74 – MY 2009/10



## KCBT WHEAT FUTURES \$ %'S

BASED ON OPTION PREMIUMS: MAY-2011 & JULY-2011

	May-2011 KCBT Wheat	July-2011 KCBT Wheat
<b>Price on 3/22/2011</b>	<b>\$8.45</b>	<b>\$8.55 3/4</b>
Low 10%	\$7.26	\$6.65
Low 30%	\$7.86	\$7.61
<b>Middle 50%</b>	<b>\$8.29</b>	<b>\$8.27</b>
High 70%	\$8.79	\$9.01
High 90%	\$9.57	\$11.25
<b>Prob. Of \$ Falling</b>	<b>57%</b>	<b>59%</b>
<b>Price on 4/20/2011</b>	<b>\$9.20</b>	<b>\$9.30 3/4</b>

Basis Information: SALINA, KS - Hard Red Winter Wheat  
K-State Dept of Agricultural Economics, www.AgManager.info



# WHEAT MARKETING OPPORTUNITIES

(SALINA, KS AREA VIA DTN ONLINE, APRIL 20, 2011)

- Current Cash Wheat Prices = \$8.58-\$8.60 /bu
- Current Wheat Basis (\$9.20 May) = \$0.60-\$0.62 under
- New Crop Forward Contracts = \$8.60 /bu
- New Crop FC Basis (\$9.31 July) = \$0.71 under
- Put Option @-the-money \$9.30/bu = \$0.56 /bu
- Put Option Futures Price Floor ≈ \$7.74 July KCBT
- Put Option Cash Price Floor (est) ≈ \$7.03 /bu



# QUESTIONS?



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